



Billing Code: 5001-06

DEPARTMENT OF DEFENSE

Office of the Secretary

[Transmittal No. 18-11]

Arms Sales Notification

AGENCY: Defense Security Cooperation Agency, Department of Defense.

ACTION: Arms sales notice.

SUMMARY: The Department of Defense is publishing the unclassified text of an arms sales notification.

FOR FURTHER INFORMATION CONTACT: DSCA at dsca.ncr.lmo.mbx.info@mail.mil or (703) 697-9709.

SUPPLEMENTARY INFORMATION: This 36(b)(1) arms sales notification is published to fulfill the requirements of section 155 of Public Law 104-164 dated July 21, 1996. The following is a copy of a letter to the Speaker of the House of Representatives, Transmittal 18-11 with attached Policy Justification and Sensitivity of Technology.

Dated: September 17, 2018.

Shelly E. Finke,
Alternate OSD Federal Register Liaison Officer,
Department of Defense.



DEFENSE SECURITY COOPERATION AGENCY

201 12TH STREET SOUTH, STE 203
ARLINGTON, VA 22202-5408

The Honorable Paul D. Ryan
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

JUL 30 2018

Dear Mr. Speaker:

Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 18-11, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Kuwait for defense articles and services estimated to cost \$30.4 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

A handwritten signature in black ink, appearing to read "Ch Hooper", is written over the typed name and title.

Charles W. Hooper
Lieutenant General, USA
Director

Enclosures:

1. Transmittal
2. Policy Justification
3. Sensitivity of Technology
4. Regional Balance (Classified document provided under separate cover)

Transmittal No. 18-11

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Kuwait

(ii) Total Estimated Value:

| | |
|--------------------------|-----------------------|
| Major Defense Equipment* | \$27.2 million |
| Other | <u>\$ 3.2 million</u> |
| TOTAL | \$30.4 million |

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE):

Three hundred (300) AGM-114R Hellfire Missiles
One (1) Warhead Section Assembly
One (1) Rocket Motor

Non-MDE:

Also included in the sale are missile containers, nineteen (19) M261 2.75 tube rocket launchers, spare and repair parts, repair tools, personnel training, U.S. Government and contractor engineering, technical and logistical support services and other related elements of logistical and program support.

(iv) Military Department: Army (KU-B-UBN)

(v) Prior Related Cases, if any: KU-B-UMA - \$38 million – 5 Feb 2013

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: See Attached Annex

(viii) Date Report Delivered to Congress: July 30, 2018

*As defined in Section 47(6) of the Arms Export Control Act.

POLICY JUSTIFICATION

Kuwait – AGM-114R Hellfire Missiles

The Government of Kuwait has requested to buy three hundred (300) AGM-114R Hellfire missiles, one (1) Warhead Section Assembly and one (1) Rocket Motor. Also included in the sale are missile containers, nineteen (19) M261 2.75 tube rocket launchers, spare and repair parts, repair tools, personnel training, U.S. Government and contractor engineering, technical and logistical support services and other related elements of logistical and program support. The estimated cost is \$30.4 million.

This proposed sale will support the foreign policy and national security objectives of the United States by helping to improve the security of a regional partner that is an important force for political stability and economic progress.

The proposed sale improves Kuwait's capability to meet current and future threats. Kuwait will use the missiles to strengthen its homeland defense. Kuwait currently has the Hellfire missiles in its inventory and will have no difficulty absorbing these additional missiles.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be Lockheed Martin Corporation, Orlando, Florida. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of approximately two U.S. Government or contractor representatives to travel to Kuwait for up to two weeks of training.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.

Transmittal No. 18-11

Notice of Proposed Issuance of Letter of Offer
Pursuant to Section 36(b)(1)
of the Arms Export Control Act

Annex
Item No. vii

(vii) Sensitivity of Technology:

1. AGM-114R Hellfire. The AGM-114R is used against heavy and light armored targets, thin skinned vehicles, urban structures, bunkers, caves and personnel. The missile is Inertial Measure Unit (IMU) based, with a variable delay fuse, improved safety and reliability. The highest level for release of the AGM-114R is SECRET. Software and firmware documentation (e.g. Data Processing, Software Requirements, Source Code, Algorithms) are not authorized for disclosure. The highest level of classified information that could be disclosed by a proposed sale or by testing of the end item is up to and including SECRET. The highest level that must be disclosed for production, maintenance, or training is up to and including SECRET. Vulnerability data, countermeasures, vulnerability/susceptibility analysis, and threat definitions are classified SECRET or CONFIDENTIAL. Detailed information to include discussions, reports and studies of system capabilities, vulnerabilities and limitations that leads to conclusions on specific tactics or other counter-countermeasures (CCM) are not authorized for disclosure. Reverse engineering could reveal SECRET information. Loss or compromise of classified information associated with AGM-114R could lead to development of countermeasures or exploitation of system vulnerabilities by those obtaining the information.

2. Software, hardware, and other data/information, which is classified or sensitive, is reviewed prior to release to protect system vulnerabilities, design data, and performance parameters. Some end item hardware, software, and other data identified above are classified at CONFIDENTIAL and SECRET levels. Potential compromise of these systems is controlled through management of the basic software programs of highly sensitive systems and software controlled weapon systems on a case-by-case basis.

3. If a technologically advanced adversary obtained knowledge of the specific hardware and software elements, the information could be used to develop countermeasures or equivalent systems which might reduce weapons system effectiveness or be used in the development of a system with similar or advanced capabilities.

4. A determination has been made that Kuwait can provide substantially the same degree of protection for the AGM-114R Hellfire Missiles as the U.S. Government. The sale of these missiles to Kuwait is necessary in the furtherance of the U.S. foreign policy and national security objectives outlined in the policy justification.

5. All defense articles and services listed on this transmittal are authorized for release and export to the Government of Kuwait.

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